

3 Oakland Milk Firms Ask Halt Of Price Boost

Three independent Oakland milk producers have filed an injunction in San Francisco Superior Court asking that a recent state order increasing wholesale milk prices in Alameda and Contra Costa Counties be nullified.

The action, filed yesterday by the Dairy Rich Milk Company, the Durham Farms Creamery and the Grocers Milk Company, is the second action directed against the State Department of Agriculture order.

Last week, presiding Superior Judge Twain Michelsen signed a temporary restraining order filed by a group of East Bay independent grocers to prevent the price increase from going into effect Feb. 9.

A hearing on both suits is scheduled for Tuesday in the court of Superior Judge Albert C. Wollenberg.

Both actions claim that the new order would "take business from small distributors selling small quantities of milk to grocers and give that business to large companies selling larger quantities to the same grocers" because of an elaborate system of discounts.

Independent Grocers Lose Fight to Ban Milk Discounts

Small, independent milk distributors and independent grocers today lost a round in their five-month fight to ban discounts to large-quantity, wholesale purchasers.

Alameda County Superior Judge Allen G. Norris dissolved a restraining order issued against the State Department of Agriculture Feb. 9 and denied a permanent injunction against a discount on milk purchases over \$5.50 authorized by the department last fall.

However, Stanley E. Sparrowe, attorney for the Dairy Rich Milk Company and the Durham Farm Creamery, said

that he will petition the Superior Court for a new restraining order to be effective until the case can be appealed.

The California Grocers Association was also a plaintiff.

The ban on the discount was sought, Sparrowe said, because competition is so keen in the milk business that independent producers who sell to small stores would be driven out of business if an advantage was given large producers and stores.

The discount plan, argued at hearings which began in February, does not affect the retail price of milk.

Injunction Blocks Milk Price Discount as Appeal Pends

Small independent milk distributors and independent grocers who failed in their attempt to obtain a permanent injunction in Alameda County Superior Court to ban discounts to large-quantity, wholesale purchasers, have obtained another court order preventing the discount from becoming effective pending an appeal.

Atty. Stanley E. Sparrowe of the law firm of Stark and Champlin, representing the distributors and grocers, has obtained a temporary restraining order from Superior Judge A. J.

Woolsey, which prohibits the State Department of Agriculture from putting the discount into effect pending a ruling by a higher court.

Dairy Rich Milk Company and Durham Farm Creamery, represented by Sparrowe, and California Grocers Association, have contended that competition is so keen in the milk business that independent producers who sell to small stores would be driven out of business if the discount advantage is granted large producers and stores. Retail price of milk is not involved in this proceeding.

Dairy Rich No Longer In Business

Conditions in the milk industry and heavy competition of larger firms are cited by a spokesman for Dairy Rich Milk Co. of Oakland as reasons why the firm has closed its doors after more than 40 years of operation.

The company—known in its earlier years as Oakland Central Creamery—went out of business as of June 30 with its principal owner, Mrs. Wilhelmina Peters, 74, ending the operation rather than risk losing money under current conditions, according to her daughter, Mrs. Dolores Falzone.

Dairy Rich had been a family operated business at 3071 E. 14th St. since the early 1930s. The late John Peters, Mrs. Peters' husband, founded it after working for other creameries in Oakland since 1913.

The firm changed its name from Oakland Central Creamery to Dairy Rich in 1950, according to Mrs. Falzone. Her father died about seven years ago.

She indicated the family—which has participated in running the business for many years—will continue to operate its 300-acre dairy ranch in Sebastopol, selling the milk from about 300 dairy cows to California Co-op. The local bottling plant will be sold.